

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
NURSING HOME OPERATING COSTS
CEILINGS AND COST ESCALATORS
For Cost Reporting Years Beginning On 8/1/2001 through 6/30/2004

Ceilings and Escalators Apply to Days As Indicated Below

<u>Provider Year Begins</u>		<u>Quarter Provider Year Ends</u>		<u>Type</u>	<u>Peer Group</u>	<u>Days Prior to 7/1/2002</u>		<u>Days After 7/1/2002</u>		<u>Days After 7/1/2003</u>		<u>Days After 7/1/2004</u>		<u>Peer Group Description</u>
<u>Year</u>	<u>Month</u>	<u>Year</u>	<u>Quarter</u>			<u>Ceiling (note 1)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 2)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 3)</u>	<u>Cost Escalator</u>			
2001	8	2002	3	Direct	1	66.58	1.036	76.73	1.062					Northern Va.
2001	8	2002	3	Direct	2	56.51	1.036	66.25	1.062					Richmond
2001	8	2002	3	Direct	3	47.55	1.036	54.76	1.062					Rest of State
2001	8	2002	3	Indirect	1	49.44	1.036	47.56	1.000					Northern Va.
2001	8	2002	3	Indirect	2	43.95	1.036	43.81	1.000					RoS, 60 beds or less
2001	8	2002	3	Indirect	3	39.12	1.036	38.86	1.000					RoS, 61 beds or more
2001	9	2002	3	Direct	1	66.58	1.036	76.73	1.062					Northern Va.
2001	9	2002	3	Direct	2	56.51	1.036	66.25	1.062					Richmond
2001	9	2002	3	Direct	3	47.55	1.036	54.76	1.062					Rest of State
2001	9	2002	3	Indirect	1	49.44	1.036	47.56	1.000					Northern Va.
2001	9	2002	3	Indirect	2	43.95	1.036	43.81	1.000					RoS, 60 beds or less
2001	9	2002	3	Indirect	3	39.12	1.036	38.86	1.000					RoS, 61 beds or more
2001	10	2002	3	Direct	1	66.58	1.036	76.73	1.062					Northern Va.
2001	10	2002	3	Direct	2	56.51	1.036	66.25	1.062					Richmond
2001	10	2002	3	Direct	3	47.55	1.036	54.76	1.062					Rest of State
2001	10	2002	3	Indirect	1	49.44	1.036	47.56	1.000					Northern Va.
2001	10	2002	3	Indirect	2	43.95	1.036	43.81	1.000					RoS, 60 beds or less
2001	10	2002	3	Indirect	3	39.12	1.036	38.86	1.000					RoS, 61 beds or more
2001	11	2002	OctNov	Direct	1	69.89	1.062	77.48	1.062					Northern Va.
2001	11	2002	OctNov	Direct	2	59.32	1.062	66.90	1.062					Richmond
2001	11	2002	OctNov	Direct	3	49.91	1.062	55.30	1.062					Rest of State
2001	11	2002	OctNov	Indirect	1	51.89	1.062	48.03	1.000					Northern Va.
2001	11	2002	OctNov	Indirect	2	46.13	1.062	44.24	1.000					RoS, 60 beds or less
2001	11	2002	OctNov	Indirect	3	41.06	1.062	39.24	1.000					RoS, 61 beds or more
2001	12	2002	OctNov	Direct	1	69.89	1.062	77.48	1.062					Northern Va.
2001	12	2002	OctNov	Direct	2	59.32	1.062	66.90	1.062					Richmond
2001	12	2002	OctNov	Direct	3	49.91	1.062	55.30	1.062					Rest of State
2001	12	2002	OctNov	Indirect	1	51.89	1.062	48.03	1.000					Northern Va.
2001	12	2002	OctNov	Indirect	2	46.13	1.062	44.24	1.000					RoS, 60 beds or less
2001	12	2002	OctNov	Indirect	3	41.06	1.062	39.24	1.000					RoS, 61 beds or more
2002	1	2002	Dec	Direct	1	69.89	1.062	77.48	1.062					Northern Va.
2002	1	2002	Dec	Direct	2	59.32	1.062	66.90	1.062					Richmond
2002	1	2002	Dec	Direct	3	49.91	1.062	55.30	1.062					Rest of State
2002	1	2002	Dec	Indirect	1	51.89	1.062	48.03	1.000					Northern Va.
2002	1	2002	Dec	Indirect	2	46.13	1.062	44.24	1.000					RoS, 60 beds or less
2002	1	2002	Dec	Indirect	3	41.06	1.062	39.24	1.000					RoS, 61 beds or more
2002	2	2003	1	Direct	1	70.06	1.061	78.15	1.062					Northern Va.
2002	2	2003	1	Direct	2	59.46	1.061	67.47	1.062					Richmond
2002	2	2003	1	Direct	3	50.03	1.061	55.78	1.062					Rest of State
2002	2	2003	1	Indirect	1	52.02	1.061	48.45	1.000					Northern Va.
2002	2	2003	1	Indirect	2	46.24	1.061	44.63	1.000					RoS, 60 beds or less
2002	2	2003	1	Indirect	3	41.16	1.061	39.58	1.000					RoS, 61 beds or more
2002	3	2003	1	Direct	1	70.06	1.061	78.15	1.062					Northern Va.
2002	3	2003	1	Direct	2	59.46	1.061	67.47	1.062					Richmond
2002	3	2003	1	Direct	3	50.03	1.061	55.78	1.062					Rest of State
2002	3	2003	1	Indirect	1	52.02	1.061	48.45	1.000					Northern Va.
2002	3	2003	1	Indirect	2	46.24	1.061	44.63	1.000					RoS, 60 beds or less
2002	3	2003	1	Indirect	3	41.16	1.061	39.58	1.000					RoS, 61 beds or more

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<u>Provider Year Begins</u>		<u>Quarter Provider Year Ends</u>		<u>Type</u>	<u>Peer Group</u>	<u>Days Prior to 7/1/2002</u>		<u>Days After 7/1/2002</u>		<u>Days After 7/1/2003</u>		<u>Days After 7/1/2004</u>		<u>Peer Group Description</u>
<u>Year</u>	<u>Month</u>	<u>Year</u>	<u>Quarter</u>			<u>Ceiling (note 1)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 2)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 3)</u>	<u>Cost Escalator</u>			
2002	4	2003	1	Direct	1	70.06	1.061	78.15	1.062					Northern Va.
2002	4	2003	1	Direct	2	49.46	1.061	67.47	1.062					Richmond
2002	4	2003	1	Direct	3	50.03	1.061	55.78	1.062					Rest of State
2002	4	2003	1	Indirect	1	52.02	1.061	48.45	1.000					Northern Va.
2002	4	2003	1	Indirect	2	46.24	1.061	44.63	1.000					RoS, 60 beds or less
2002	4	2003	1	Indirect	3	41.16	1.061	39.58	1.000					RoS, 61 beds or more
2002	5	2003	2	Direct	1	71.38	1.057	78.94	1.062					Northern Va.
2002	5	2003	2	Direct	2	60.59	1.057	68.15	1.062					Richmond
2002	5	2003	2	Direct	3	50.98	1.057	56.33	1.062					Rest of State
2002	5	2003	2	Indirect	1	53.01	1.057	48.93	1.000					Northern Va.
2002	5	2003	2	Indirect	2	47.12	1.057	45.07	1.000					RoS, 60 beds or less
2002	5	2003	2	Indirect	3	41.94	1.057	39.97	1.000					RoS, 61 beds or more
2002	6	2003	2	Direct	1	71.38	1.057	78.94	1.062					Northern Va.
2002	6	2003	2	Direct	2	60.59	1.057	68.15	1.062					Richmond
2002	6	2003	2	Direct	3	50.98	1.057	56.33	1.062					Rest of State
2002	6	2003	2	Indirect	1	53.01	1.057	48.93	1.000					Northern Va.
2002	6	2003	2	Indirect	2	47.12	1.057	45.07	1.000					RoS, 60 beds or less
2002	6	2003	2	Indirect	3	41.94	1.057	39.97	1.000					RoS, 61 beds or more
2002	7	2003	2	Direct	1			78.94	1.062					Northern Va.
2002	7	2003	2	Direct	2			68.15	1.062					Richmond
2002	7	2003	2	Direct	3			56.33	1.062					Rest of State
2002	7	2003	2	Indirect	1			48.93	1.000					Northern Va.
2002	7	2003	2	Indirect	2			45.07	1.000					RoS, 60 beds or less
2002	7	2003	2	Indirect	3			39.97	1.000					RoS, 61 beds or more
2002	8	2003	3	Direct	1			81.49	1.062	81.08	1.048			Northern Va.
2002	8	2003	3	Direct	2			70.36	1.062	69.43	1.048			Richmond
2002	8	2003	3	Direct	3			58.16	1.062	57.39	1.048			Rest of State
2002	8	2003	3	Indirect	1			50.51	1.000	48.34	1.018			Northern Va.
2002	8	2003	3	Indirect	2			46.53	1.000	44.60	1.018			RoS, 60 beds or less
2002	8	2003	3	Indirect	3			41.27	1.000	39.69	1.018			RoS, 61 beds or more
2002	9	2003	3	Direct	1			81.49	1.062	81.08	1.048			Northern Va.
2002	9	2003	3	Direct	2			70.36	1.062	69.43	1.048			Richmond
2002	9	2003	3	Direct	3			58.16	1.062	57.39	1.048			Rest of State
2002	9	2003	3	Indirect	1			50.51	1.000	48.34	1.018			Northern Va.
2002	9	2003	3	Indirect	2			46.53	1.000	44.60	1.018			RoS, 60 beds or less
2002	9	2003	3	Indirect	3			41.27	1.000	39.69	1.018			RoS, 61 beds or more
2002	10	2003	3	Direct	1			81.49	1.062	81.08	1.048			Northern Va.
2002	10	2003	3	Direct	2			70.36	1.062	69.43	1.048			Richmond
2002	10	2003	3	Direct	3			58.16	1.062	57.39	1.048			Rest of State
2002	10	2003	3	Indirect	1			50.51	1.000	48.34	1.018			Northern Va.
2002	10	2003	3	Indirect	2			46.53	1.000	44.60	1.018			RoS, 60 beds or less
2002	10	2003	3	Indirect	3			41.27	1.000	39.69	1.018			RoS, 61 beds or more
2002	11	2003	OctNov	Direct	1			82.28	1.062	81.88	1.048			Northern Va.
2002	11	2003	OctNov	Direct	2			71.05	1.062	70.11	1.048			Richmond
2002	11	2003	OctNov	Direct	3			58.73	1.062	57.95	1.048			Rest of State
2002	11	2003	OctNov	Indirect	1			51.01	1.000	48.82	1.018			Northern Va.
2002	11	2003	OctNov	Indirect	2			46.98	1.000	45.04	1.018			RoS, 60 beds or less
2002	11	2003	OctNov	Indirect	3			41.67	1.000	40.08	1.018			RoS, 61 beds or more

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<u>Year</u>	<u>Month</u>	<u>Year</u>	<u>Quarter</u>			<u>Ceiling (note 1)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 2)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 3)</u>	<u>Cost Escalator</u>			
2002	12	2003	OctNov	Direct	1			82.28	1.062	81.88	1.048		Northern Va.	
2002	12	2003	OctNov	Direct	2			71.05	1.062	70.11	1.048		Richmond	
2002	12	2003	OctNov	Direct	3			58.73	1.062	57.95	1.048		Rest of State	
2002	12	2003	OctNov	Indirect	1			51.01	1.000	48.82	1.018		Northern Va.	
2002	12	2003	OctNov	Indirect	2			46.98	1.000	45.04	1.018		RoS, 60 beds or less	
2002	12	2003	OctNov	Indirect	3			41.67	1.000	40.08	1.018		RoS, 61 beds or more	
2003	1	2003	Dec	Direct	1			81.97	1.058	81.88	1.048		Northern Va.	
2003	1	2003	Dec	Direct	2			70.78	1.058	70.11	1.048		Richmond	
2003	1	2003	Dec	Direct	3			58.51	1.058	57.95	1.048		Rest of State	
2003	1	2003	Dec	Indirect	1			50.82	1.000	48.82	1.018		Northern Va.	
2003	1	2003	Dec	Indirect	2			46.81	1.000	45.04	1.018		RoS, 60 beds or less	
2003	1	2003	Dec	Indirect	3			41.52	1.000	40.08	1.018		RoS, 61 beds or more	
2003	2	2004	1	Direct	1			82.69	1.058	82.59	1.048		Northern Va.	
2003	2	2004	1	Direct	2			71.38	1.058	70.71	1.048		Richmond	
2003	2	2004	1	Direct	3			59.01	1.058	58.46	1.048		Rest of State	
2003	2	2004	1	Indirect	1			51.26	1.000	49.25	1.018		Northern Va.	
2003	2	2004	1	Indirect	2			47.22	1.000	45.43	1.018		RoS, 60 beds or less	
2003	2	2004	1	Indirect	3			41.88	1.000	40.42	1.018		RoS, 61 beds or more	
2003	3	2004	1	Direct	1			82.69	1.058	82.59	1.048		Northern Va.	
2003	3	2004	1	Direct	2			71.38	1.058	70.71	1.048		Richmond	
2003	3	2004	1	Direct	3			59.01	1.058	58.46	1.048		Rest of State	
2003	3	2004	1	Indirect	1			51.26	1.000	49.25	1.018		Northern Va.	
2003	3	2004	1	Indirect	2			47.22	1.000	45.43	1.018		RoS, 60 beds or less	
2003	3	2004	1	Indirect	3			41.88	1.000	40.42	1.018		RoS, 61 beds or more	
2003	4	2004	1	Direct	1			82.69	1.058	82.59	1.048		Northern Va.	
2003	4	2004	1	Direct	2			71.38	1.058	70.71	1.048		Richmond	
2003	4	2004	1	Direct	3			59.01	1.058	58.46	1.048		Rest of State	
2003	4	2004	1	Indirect	1			51.26	1.000	49.25	1.018		Northern Va.	
2003	4	2004	1	Indirect	2			47.22	1.000	45.43	1.018		RoS, 60 beds or less	
2003	4	2004	1	Indirect	3			41.88	1.000	40.42	1.018		RoS, 61 beds or more	
2003	5	2004	2	Direct	1			83.52	1.058	83.42	1.048		Northern Va.	
2003	5	2004	2	Direct	2			72.10	1.058	71.42	1.048		Richmond	
2003	5	2004	2	Direct	3			59.63	1.058	59.03	1.048		Rest of State	
2003	5	2004	2	Indirect	1			51.77	1.000	49.73	1.018		Northern Va.	
2003	5	2004	2	Indirect	2			47.68	1.000	45.88	1.018		RoS, 60 beds or less	
2003	5	2004	2	Indirect	3			42.29	1.000	40.83	1.018		RoS, 61 beds or more	
2003	6	2004	2	Direct	1			83.52	1.058	83.42	1.048		Northern Va.	
2003	6	2004	2	Direct	2			72.10	1.058	71.42	1.048		Richmond	
2003	6	2004	2	Direct	3			59.63	1.058	59.03	1.048		Rest of State	
2003	6	2004	2	Indirect	1			51.77	1.000	49.73	1.018		Northern Va.	
2003	6	2004	2	Indirect	2			47.68	1.000	45.88	1.018		RoS, 60 beds or less	
2003	6	2004	2	Indirect	3			42.29	1.000	40.83	1.018		RoS, 61 beds or more	
2003	7	2004	2	Direct	1					83.42	1.048		Northern Va.	
2003	7	2004	2	Direct	2					71.42	1.048		Richmond	
2003	7	2004	2	Direct	3					59.03	1.048		Rest of State	
2003	7	2004	2	Indirect	1					49.73	1.018		Northern Va.	
2003	7	2004	2	Indirect	2					45.88	1.018		RoS, 60 beds or less	
2003	7	2004	2	Indirect	3					40.83	1.018		RoS, 61 beds or more	

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<u>Year</u>	<u>Month</u>	<u>Year</u>	<u>Quarter</u>			<u>Ceiling (note 1)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 2)</u>	<u>Cost Escalator</u>	<u>Ceiling (note 3)</u>	<u>Cost Escalator</u>	
2003	8	2004	3	Direct	1					85.78	1.048	Northern Va.
2003	8	2004	3	Direct	2					73.45	1.048	Richmond
2003	8	2004	3	Direct	3					60.71	1.048	Rest of State
2003	8	2004	3	Indirect	1					51.14	1.018	Northern Va.
2003	8	2004	3	Indirect	2					47.19	1.018	RoS, 60 beds or less
2003	8	2004	3	Indirect	3					41.99	1.018	RoS, 61 beds or more
2003	9	2004	3	Direct	1					85.78	1.048	Northern Va.
2003	9	2004	3	Direct	2					73.45	1.048	Richmond
2003	9	2004	3	Direct	3					60.71	1.048	Rest of State
2003	9	2004	3	Indirect	1					51.14	1.018	Northern Va.
2003	9	2004	3	Indirect	2					47.19	1.018	RoS, 60 beds or less
2003	9	2004	3	Indirect	3					41.99	1.018	RoS, 61 beds or more
2003	10	2004	3	Direct	1					85.78	1.048	Northern Va.
2003	10	2004	3	Direct	2					73.45	1.048	Richmond
2003	10	2004	3	Direct	3					60.71	1.048	Rest of State
2003	10	2004	3	Indirect	1					51.14	1.018	Northern Va.
2003	10	2004	3	Indirect	2					47.19	1.018	RoS, 60 beds or less
2003	10	2004	3	Indirect	3					41.99	1.018	RoS, 61 beds or more
2003	11	2004	OctNov	Direct	1					86.63	1.048	Northern Va.
2003	11	2004	OctNov	Direct	2					74.17	1.048	Richmond
2003	11	2004	OctNov	Direct	3					61.31	1.048	Rest of State
2003	11	2004	OctNov	Indirect	1					51.65	1.018	Northern Va.
2003	11	2004	OctNov	Indirect	2					47.65	1.018	RoS, 60 beds or less
2003	11	2004	OctNov	Indirect	3					42.40	1.018	RoS, 61 beds or more
2003	12	2004	OctNov	Direct	1					86.63	1.048	Northern Va.
2003	12	2004	OctNov	Direct	2					74.17	1.048	Richmond
2003	12	2004	OctNov	Direct	3					61.31	1.048	Rest of State
2003	12	2004	OctNov	Indirect	1					51.65	1.018	Northern Va.
2003	12	2004	OctNov	Indirect	2					47.65	1.018	RoS, 60 beds or less
2003	12	2004	OctNov	Indirect	3					42.40	1.018	RoS, 61 beds or more
2004	1	2004	Dec	Direct	1					84.34	1.030	Northern Va.
2004	1	2004	Dec	Direct	2					72.21	1.030	Richmond
2004	1	2004	Dec	Direct	3					59.69	1.030	Rest of State
2004	1	2004	Dec	Indirect	1					50.28	1.030	Northern Va.
2004	1	2004	Dec	Indirect	2					46.39	1.030	RoS, 60 beds or less
2004	1	2004	Dec	Indirect	3					41.28	1.030	RoS, 61 beds or more
2004	2	2005	1	Direct	1					82.59	1.030	Northern Va.
2004	2	2005	1	Direct	2					70.71	1.030	Richmond
2004	2	2005	1	Direct	3					58.46	1.030	Rest of State
2004	2	2005	1	Indirect	1					49.25	1.030	Northern Va.
2004	2	2005	1	Indirect	2					45.43	1.030	RoS, 60 beds or less
2004	2	2005	1	Indirect	3					40.42	1.030	RoS, 61 beds or more
2004	3	2005	1	Direct	1					82.59	1.030	Northern Va.
2004	3	2005	1	Direct	2					70.71	1.030	Richmond
2004	3	2005	1	Direct	3					58.46	1.030	Rest of State
2004	3	2005	1	Indirect	1					49.25	1.030	Northern Va.
2004	3	2005	1	Indirect	2					45.43	1.030	RoS, 60 beds or less
2004	3	2005	1	Indirect	3					40.42	1.030	RoS, 61 beds or more

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<u>Year</u>	<u>Month</u>	<u>Year</u>	<u>Quarter</u>			<u>Ceiling</u>	<u>Cost</u>	<u>Ceiling</u>	<u>Cost</u>	<u>Ceiling</u>	<u>Cost</u>		
						<u>(note 1)</u>	<u>Escalator</u>	<u>(note 2)</u>	<u>Escalator</u>	<u>(note 3)</u>	<u>Escalator</u>		
2004	4	2005	1	Direct	1					82.59	1.030	Northern Va.	
2004	4	2005	1	Direct	2					70.71	1.030	Richmond	
2004	4	2005	1	Direct	3					58.46	1.030	Rest of State	
2004	4	2005	1	Indirect	1					49.25	1.030	Northern Va.	
2004	4	2005	1	Indirect	2					45.43	1.030	RoS, 60 beds or less	
2004	4	2005	1	Indirect	3					40.42	1.030	RoS, 61 beds or more	
2004	5	2005	2	Direct	1					83.42	1.030	Northern Va.	
2004	5	2005	2	Direct	2					71.42	1.030	Richmond	
2004	5	2005	2	Direct	3					59.03	1.030	Rest of State	
2004	5	2005	2	Indirect	1					49.73	1.030	Northern Va.	
2004	5	2005	2	Indirect	2					45.88	1.030	RoS, 60 beds or less	
2004	5	2005	2	Indirect	3					40.83	1.030	RoS, 61 beds or more	
2004	6	2005	2	Direct	1					83.42	1.030	Northern Va.	
2004	6	2005	2	Direct	2					71.42	1.030	Richmond	
2004	6	2005	2	Direct	3					59.03	1.030	Rest of State	
2004	6	2005	2	Indirect	1					49.73	1.030	Northern Va.	
2004	6	2005	2	Indirect	2					45.88	1.030	RoS, 60 beds or less	
2004	6	2005	2	Indirect	3					40.83	1.030	RoS, 61 beds or more	

Note 1:

The ceilings for days after 7/1/2002 but before 7/1/2003 reflect the ceilings after rebasing of cost data at 7/1/2002.

The Direct cost ceilings and escalators for days after 7/1/2002 but before 7/1/2003 reflect the revised, effective 7/1/2002, method of determining inflation which is based on the DRI nursing facility inflation reported for the 2nd quarter of the calendar year.

The Indirect Cost ceilings and escalators for days after 7/1/2002 but before 7/1/2003 reflect the General Assembly action to allow no inflation during State Fiscal Year ended 6/30/2003.

Note 2:

The ceilings and escalators for days after 7/1/2003 reflect the limits enacted by the General Assembly for State Fiscal Year ending 6/30/2004 on total dollars available to cover inflation as applied to the costs and the ceilings for each of Direct and Indirect Costs.

The ceilings for days after 7/1/2003 also reflect the General Assembly action effective 7/1/2003 to no longer classify certain comprehensive and rehab patients as Specialized Care patients but include these patients as regular nursing facility patients.

Note 3:

The ceilings for days after 7/1/2004 reflect the ceilings after rebasing of cost data at 7/1/2004.

The escalators effective 7/1/2004 are free of budgetary restraints as had been applied by the General Assembly in the prior year.